CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 11, 1998

H.R. 3748
FEC Reauthorization Act of 1998

As ordered reported by the Committee on House Oversight on April 30, 1998

SUMMARY

H.R. 3748 would authorize an appropriation of $33.7 million for the Federal Election Commission (FEC) in fiscal year 1999. Of that amount, the bill would make $2.8 million contingent on the FEC adopting a new plan to prioritize enforcement actions by September 30, 1998. The bill also would establish four-year terms for the staff director and general counsel of the FEC and would require that at least four of the six commissioners approve candidates for each position. In addition, the bill would allow the FEC to begin imposing penalties for violations of reporting requirements that occur after January 1, 1999. The FEC would be required to publish a schedule of the penalties. Finally, the bill would require the general counsel to recommend that the commission either dismiss or further investigate complaints filed with the FEC within a given period of time.

Assuming appropriation of the authorized amount, CBO estimates that enacting H.R. 3748 would result in additional discretionary spending of $33.7 million over fiscal years 1999 and 2000. We estimate that the bill's other provisions would not significantly affect discretionary costs at the FEC. In addition, by permitting the FEC to begin imposing penalties for certain violations that occur after January 1, 1999, we estimate that enacting H.R. 3748 would increase civil monetary penalties, which are classified as governmental receipts, by less than $500,000 a year. Consequently, pay-as-you-go procedures would apply to this bill.

H.R. 3748 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3748 is shown in the following table. For the purposes of this estimate, CBO assumes that the amount authorized in H.R. 3748 will be appropriated by the start of fiscal year 1999 and that outlays will follow the historical spending pattern of the FEC. In addition, we assume that the FEC will adopt a new plan for prioritizing enforcement actions by September 30, 1998, and thus, will receive the full $33.7 million. Enacting H.R. 3748 would probably increase receipts from civil penalties, but by amounts of less than $500,000 a year. We estimate that the bill's other provisions would not significantly affect discretionary costs at the FEC. The costs of this legislation fall within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
FEC Spending Under Current Law						
Budget Authority [a]	31	0	0	0	0	0
Estimated Outlays	31	3	0	0	0	0
Proposed Changes						
Authorization Level	0	34	0	0	0	0
Estimated Outlays	0	31	3	0	0	0
FEC Spending Under H.R. 3748						
Authorization Level [a]	31	34	0	0	0	0
Estimated Outlays	31	34	3	0	0	0

a. The 1998 level is the amount appropriated for that year.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act of 1985 specifies procedures for legislation affecting direct spending and receipts. Pay-as-you-go procedures would apply to H.R. 3748 because it would allow the FEC to begin imposing penalties according to a published schedule for violations of reporting requirements that occur after January 1, 1999. (Civil monetary penalties are classified as governmental receipts.) Currently, the FEC has no authority to impose penalties, but rather must either negotiate the amount of such fines with the violator or pursue a civil action in court. Over the last five years, the FEC, on average, has negotiated about $1 million a year in civil penalties. Based on information provided by the FEC, CBO estimates that H.R. 3748 would increase the annual amount of civil penalties collected by the FEC by less than $500,000 a year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3748 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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